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Story linking lab, CIA refuted

When Casey said 'we,' he meant U.S. not his agency

By SANDI DOUGHTON-EVANS
Monitor Staff Writer

A 5-inch news story in the Sunday New York Times, which put a possibly misleading spin on comments by Central Intelligence Agency Director William Casey, spawned a series of New Mexico news reports that linked Los Alamos National Laboratory with the CIA in Central America.

According to the Times article, Casey said in a speech that the CIA is working with Los Alamos National Laboratory on a project to help several Central American nations assess and utilize energy and mineral resources.

LANL has been engaged in such a program for about 18 months, but the \$11.2 million program is funded entirely by the Agency for International Development, which is an arm of the State Department, said John Whetten, LANL's associate director for energy and research applications.

"Our program has absolutely no connection with CIA authority, funding or anything else," Whetten said this morning. "It's possible that the article misquoted Casey."

All the brouhaha boils down to what Casey meant when he used the word "we" in his speech.

CIA spokeswoman Sharon Foster said this morning:

Foster quoted from the text of Casey's speech, which was presented at the Center for the Study of the Presidency in Atlanta, Ga., and focused on new ways the Western world can reduce Soviet influence in the Third World.

"This country's strategy in the Third World must go beyond supporting freedom fighters," Casey said. "In addition to doing what we can to support indigenous resistance to Soviet-backed repressive regimes, we have to come to grips with the core developmental problems of the Third World and how the West's technological ingenuity, its entrepreneurial talents and its free markets can be brought to bear there."

"We continue to exploit Soviet vulnerabilities through traditional intelligence methods but we are also moving on a broader non-traditional front as well."

Then, in the possibly misinterpreted sentence, Casey said:

"For example, in conjunction with Los Alamos National Laboratory, we are involved in designing a pilot resource assistance program in Central America." The text then lists specific aspects of the program, including geothermal exploration

and development in Costa Rica, Honduras and Guatemala, and location of peat deposits in Panama and Costa Rica.

By "we," the director meant the U.S. government, not the CIA, Foster said.

The Times article paraphrased Casey and substituted "the CIA" for "we," hence leaving the impression that LANL and the CIA were actually working together on the program.

The Albuquerque Tribune ran a front-page story Tuesday, headlined "LANL, CIA reportedly team on project, and hinting that AID is often a cover for covert CIA operations."

The Associated Press picked up the Tribune story and distributed it on the regional wire service.

LANL representatives did make a presentation on the program to Casey about two months ago, Whetten said. "It was clear at the time that Casey was very much interested in what was going on," he said.

The LANL program is part of the government's Caribbean Basin Initiative, an effort to help stabilize regional governments in the long term, by helping improve economies in the short-term.

Whetten said:

About 40 LANL employees have participated in the program, which includes geological field work to help identify potentially useful energy resources, as well as engineering and economic analyses to help the nations find the best approaches to exploiting those resources. Whetten explained. Most of those nations are now heavily dependent on costly, imported oil.

Later in his speech, Casey specifically referred to a new CIA initiative, similar to the Los Alamos efforts, but apparently separate from them.

"At CIA we have also set up a special unit of first class economists and technical analysts to help in matching technology and under-utilized resources — an effort that goes well beyond the Los Alamos

project," Casey said. "We have studied or are in the process of studying some 20 countries in this way to identify the resources and other assets to which Western capabilities can be applied to advantage. We are looking at their energy resources as well as mineral and agricultural potential, to assess the opportunities for application of Western technology, capital and managerial skills," Casey said. "We have already found that the potential is enormous."